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March 6, 2007

Via Federal Express

Public Service Commission of Kentucky
211 Sower Boulevard
Frankfort, Kentucky 40602-0615
Attention: Docket Office

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MAR 07 2007

PUBLIC SERVICE
COMMISSION

Re: *Touchstone dba ALEC, v. Kentucky Alltel, Inc.; Case No. 21005-00482*

Dear Sir or Madam:

Please find enclosed an original and four copies of the *Rebuttal Testimony of Mark Hayes* for filing with the Commission. Also enclosed is an extra copy of the cover page of the *Rebuttal Testimony*. Please date stamp this extra copy and return it to our office in the enclosed self-addressed prepaid envelope.

Your assistance is appreciated.

Sincerely,



Bettye Gadison
Regulatory Compliance Assistant

/bjg
Enclosures

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

TOUCHTONE COMMUNICATIONS, INC.)
 and ALEC, Inc.,)
)
 Complainants,)
)
 vs.)
)
 KENTUCKY ALLTEL, Inc.,)
)
 Defendant.)

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MAR 07 2007

PUBLIC SERVICE
COMMISSION

Case No.
2005-00482

Rebuttal Testimony of

Mark Hayes

On Behalf of ALEC, Inc.

March 6, 2007

1 **Q. Please state your name and business address and title.**

2 A. My name is Mark I. Hayes. My business address is 250 West Main Street,
3 Lexington, Kentucky. I am president of ALEC, Inc.

4
5 **Q. What is the purpose of your testimony?**

6 A. The purpose of my testimony is to respond to the direct testimony filed by
7 Windstream in this case. Specifically, I will provide rebuttal testimony to the
8 direct testimony of Stephen B. Weeks filed with this Commission on February 23,
9 2007.

10
11 **Q. On Page 11 of Stephen Weeks' testimony, starting at Line 7, Mr. Weeks**
12 **discusses his opinion as to whether or not the FCC's ISP Remand Order is**
13 **final, binding and nonappealable. Specifically, Mr. Weeks testified that the**
14 **ISP Remand Order is not final, binding and nonappealable.**

15
16 **Does ALEC believe that the FCC's *ISP Remand Order* is the controlling**
17 **FCC ruling regarding the proper payment of reciprocal compensation?**

18 A. Yes, including of course, the court decisions and FCC decisions affirming and
19 clarifying the *ISP Remand Order*.

20
21 **Q. Is the *ISP Remand Order* "final, binding, and nonappealable" consistent with**
22 **Article V, Section 3.2.3 of the Parties interconnection agreement?**

23 A. I am not a lawyer, but in my opinion, the *ISP Remand Order* is final, binding, and
24 nonappealable.

25

26 **Q. Are you aware of any public documents wherein Windstream acknowledges**
27 **that the *ISP Remand Order* is in full force and effect?**

28 A. Yes, I find it odd that Mr. Weeks and Windstream continue to argue this point in
29 the case. In Windstream's 8-K filing posted on the Securities and Exchange
30 Commission website on August 31, 2006, Windstream acknowledged that the *ISP*
31 *Remand Order* was controlling and is likely to result in additional payments owed
32 to CLECs for the termination of ISP-bound traffic. The relevant portion is as
33 follows:

34 On October 8, 2004, the FCC granted in part and denied in part a
35 petition filed by Core Communications requesting that the FCC
36 forbear from enforcing provisions of the FCC's 2001 Internet
37 Service Provider ("ISP") Remand Order. The FCC granted
38 forbearance from the ISP Remand Order's growth caps and new
39 market rule finding they were no longer in the public interest. The
40 FCC denied forbearance from the ISP Remand Order's rate cap and
41 mirroring rules.

42

43 Various parties have filed for reconsideration with the FCC and
44 appealed the decision to the U.S. Court of Appeals for the District
45 of Columbia Circuit. On June 30, 2006, the Court upheld the
46 FCC's decision in this matter. As a result, the Company is likely to
47 incur additional costs for delivering ISP-bound traffic to
48 competitive wireline service providers. The Company estimates
49 that the additional expense would not likely exceed \$5.0 million
50 annually.¹

¹ Windstream Corporation Form 8-K at page 23 (August 31, 2006). Can be found online at http://businessweek.brand.edgar-online.com/EFX_dll/EDGARpro.dll?FetchFilingHTML1?SessionID=vJcdjXWGR6-6Xm5&ID=4634303

51 **Q. Which court decision does the 8-K statement refer to?**

52 A. It is my understanding that the case referred to is *In re Core Communications,*
53 *Inc.*²

54

55 **Q. How does this case relate to the *ISP Remand Order*?**

56 A. The *ISP Remand Order* was first reviewed by the D.C. Circuit in *WorldCom v.*
57 *FCC*, 288 F.3d 429 (D.C. Cir. 2002). The Court did not vacate the *ISP Remand*
58 *Order*, as it had vacated the FCC's earlier effort to deal with this question.
59 Instead, the court rejected the FCC's reasoning but expressly allowed the *ISP*
60 *Remand Order*'s provisions to remain in force because there was "a non-trivial
61 likelihood that the Commission has authority to elect such a system (perhaps
62 under §§ 251(b)(5) and 252(d)(B)(i))." *WorldCom*, 288 F.3d at 434. The terms
63 of the *ISP Remand Order* were then revised by the FCC in a petition filed by
64 Core Communications ("Core") whereby the FCC granted two of Core's four
65 requests.³ In the case mentioned above, *In re Core Communications*, Core
66 appealed to the D.C. Circuit on those two remaining issues and the Court upheld
67 the FCC. Incumbent local exchange carriers supported the FCC arguing that the
68 *ISP Remand Order* was final and should be followed without further revision.
69 As Windstream notes, this case effectively ended any further appeals of the *ISP*

² *In re Core Communications, Inc.* 455 F.3d 267 (D.C. Cir. 2006).

³ *Petition of Core Communications, Inc. for Forbearance Under 47 U.S.C. § 160(c) from Application of the ISP Remand Order*, WC Docket No.03-171 (rel. October 18, 2004).

70 *Remand Order*. My counsel has also made me aware of four other federal court
71 decisions wherein the *ISP Remand Order* is treated as a final FCC decision.⁴

72

73 **Q. Assuming this made the *ISP Remand Order* final, did Windstream meet**
74 **with ALEC to make adjustments to the Parties' interconnection agreement**
75 **to reflect the new law?**

76 A. No. I understand from my counsel that this was routinely done by other
77 incumbent local exchange carriers and dozens of amendments to
78 interconnection agreements were filed in other states to reflect the final
79 applicability of the *ISP Remand Order*. Windstream never met with ALEC to
80 adjust the interconnection agreement and now uses that failure as partial
81 justification for its refusal to pay ALEC's legitimate invoices.

82

83 **Q. Has ALEC addressed these claims at other times in this case?**

84 A. Yes. ALEC provided a legal analysis of this issue in its Supplemental Response
85 to Defendant's Motion to Dismiss and Answer filed on October 13, 2006.

86

87 **Q. On Page 3 of Mr. Weeks' testimony, starting at Line 16, he makes the**
88 **assertion that Windstream has satisfied claims for traffic from August 2000**
89 **to November 2002. Do you have a response to this assertion?**

⁴ *Global NAPs v. Verizon New England*, 444 F.3d 59, 62 (1st Cir. 2006) ("Global NAPs I"); *Global NAPs v. Verizon New England*, 454 F.3d 91, 99 (2nd Cir. 2006) ("Global NAPs II"); *Southern New England Telephone v. MCI WorldCom Communication* ("SNET"), 359 F. Supp.2d 229 (D. Conn. 2005); *Verizon California, Inc. v. Peevey*, 462 F.3d 1142, 1159 (9th Cir. September 7, 2006).

90 A. Yes. Contrary to Mr. Weeks' testimony, Windstream has *not* satisfied all claims
91 for the traffic from August 2000 to November 2002. In response to Request
92 Number 2 of ALEC's second set of Data Requests in this case, we asked
93 Windstream to "produce any and all settlement agreements that Windstream or its
94 predecessors completed with ALEC in regard to reciprocal compensation or
95 traffic (local or toll or other) usage payments." They responded as follows:

96 "Windstream is not aware of any such settlement agreements."

97 In March 2005, Windstream did apparently provide Duro Settlement Group a
98 check for the periods of August 2002 thru November 2002, but ALEC was not a
99 party to this transaction."

100

101 **Q. Starting on Page 3, Line 23 of Mr. Week's testimony, he states that "ALEC's**
102 **calculations are based on minutes that appear to include non-Windstream**
103 **traffic." Is this accurate?**

104 A. As far as ALEC can determine, the vast majority of the non-Windstream traffic
105 that ALEC is terminating on Windstream's behalf is UNE-P traffic transmitted by
106 Windstream. ALEC can not parse out this traffic because Windstream chose not
107 to provide ALEC with UNE-P originated traffic reporting as is common practice
108 by AT&T and other ILECs. Since Windstream refuses to segregate this UNE-P
109 traffic, Windstream is liable for any resulting access charges for the traffic. This is
110 common industry practice; Verizon and other ILECs that choose not to segregate
111 UNE-P traffic routinely pay access charges on UNE-P traffic. . There may be

112 some other phantom traffic that is mixed in with the Windstream traffic, but this
113 traffic amount is very small and does not play a significant role in this complaint.

114

115 **Q. On Page 4, Line 1 of Mr. Weeks' testimony, he uses the phrase "unconfirmed**
116 **tariff rate" to describe ALEC's billing practices. Have approved tariffs been**
117 **provided to Windstream?**

118 A. Yes. All approved tariffs have been provided to Windstream at their request prior
119 and during data discovery and testimony phases of this complaint. Attached
120 as Exhibit 1 is page 120 from ALEC's Switched Access Tariff, PSC No. 2,
121 effective February 5, 2001 containing rates approved by the Commission.

122

123 **Q. On Page 4, Lines 19 through 23, Mr. Weeks testified that Windstream**
124 **committed to honor existing interconnection agreements of its predecessor in**
125 **interest (Verizon South, Inc.). Has Windstream honored this ICA?**

126 A. The Interconnection Agreement between GTE South, Incorporated and Touchtone
127 Communications, Inc. was approved by the Commission on August 26, 1999 in
128 Case Number 1999-318. Windstream has *not* honored this ICA and has
129 discriminated against ALEC with respect to both the intraLATA toll
130 compensation and the ISP reciprocal compensation. Verizon was paying ALEC
131 for intraLATA toll traffic prior to Windstream's predecessor Alltel's purchase of
132 Verizon's exchanges. Windstream did acknowledge that the FCC's ISP order is
133 final, thus requiring Windstream to pay ISP reciprocal compensation, per their
134 SEC filing of 8-31-2006 (further noted below).

135 **Q. Starting on Page 5 at Line 4 of Mr. Weeks' testimony, he testifies about the**
136 **types of traffic that are compensable pursuant to the interconnection**
137 **agreement between the parties. Do you have any comments to make about**
138 **this part of his testimony?**

139 A. Yes. Section 1.59 in Article II states the ISP traffic is not included as local traffic.

140 Local traffic is subject to bill and keep.

141 In section 3.2.3 in Article V the treatment of ISP traffic compensation is defined
142 as such:

143 “3.2.1 Treatment of ESP/ISP Traffic. The Parties have not agreed as to
144 how ESP/ISP Traffic should be exchanged between the Parties and
145 whether and to what extent compensation is due either Party for exchange
146 of such traffic. GTE's position is that the FCC cannot divest itself of rate
147 setting jurisdiction over such traffic, that such traffic is interstate and
148 subject to Part 69 principles, and that a specific interstate rate element
149 should be established for such traffic. AT&T's position is that ESP/ISP
150 traffic should be treated as local for the purposes of inter-carrier
151 compensation and should be compensated on the same basis as voice
152 traffic between end users. The FCC has issued a NPRM on prospective
153 treatment of ESP/ISP Traffic. Nevertheless, without waiving any of its
154 rights to assert and pursue its position on issues related to ESP/ISP Traffic,
155 each Party agrees that until the FCC enters a final, binding, and
156 nonappealable order (“Final FCC Order”), the Parties shall exchange and
157 each Party may track ESP/ISP Traffic but no compensation shall be owed

158 for ESP/ISP Traffic exchanged between the Parties and neither party shall
159 bill the other for such traffic. At such time as a 'Final FCC Order'
160 becomes applicable, the Parties shall meet to discuss implementation of
161 the Order and shall make adjustments to reflect the impact of the Order
162 including but not limited to adjustments for compensation required by the
163 Final FCC Order. This agreement to leave issues related to ESP/ISP
164 traffic unresolved until after the Final FCC Order becomes applicable and
165 in the interim to not compensate for ESP/ISP Traffic, shall in no manner
166 whatsoever establish any precedent, waiver, course of dealing or in any
167 way evidence either Parties' position or intent with regard to exchange
168 and/or compensation of ESP/ISP Traffic, each party reserving all its rights
169 with respect to these issues."

170 In its SEC filing of August 31, 2006 and in its payment of reciprocal
171 compensation to other parties in Kentucky, Windstream (see Weeks testimony for
172 listing of other parties) has clearly concluded that this is a final, binding and
173 appealable FCC order as specified in the ICA.

174

175 In addition, ALEC has at several junctures attempted to discuss this matter with
176 Windstream. Windstream has refused to act in good faith to address the issues
177 raised in this Complaint.

178

179 **Q. On page 7 of Mr. Weeks' testimony, beginning at Line 1, he testifies that**
180 **Windstream unilaterally determined, though its own test calls, that 99% of**

181 **the total traffic that Windstream terminates to ALEC is ISP-bound traffic.**
182 **He further testifies that there does not appear to be any corresponding traffic**
183 **from ALEC customers to Windstream numbers. Do you have any response**
184 **to this testimony?**

185 A. Windstream's tests and analysis were never discussed or shared with ALEC. As
186 such, Windstream has no faith in respect to the accuracy of Windstream's tests or
187 conclusions. Windstream, via Mr. Weeks, after the filing of the complaint but
188 prior to discovery, sought this data point from Mark Hayes in a conference call
189 between the parties. The ICA states that the FCC ruling will dictate how ISP
190 traffic will be billed as well as how local and intraLATA toll traffic will be billed.
191 There is no language in the ICA that instructs either party to carve out ISP traffic
192 for purposes of calculating the intraLATA toll termination component of
193 compensation. The 5% intraLATA toll traffic must be calculated from the total
194 stream of Local/Toll/ISP traffic that is exchanged between the carriers. When a
195 toll call is made to an ISP carrier, Windstream charges the user a toll fee or
196 optional EAS fee. If ISP traffic was carved out prior to the application of the
197 exempt factor for intraLATA toll, the compensation scheme for toll traffic would
198 be corrupted. The exempt factor being applied prior to any ISP traffic segregation
199 is an industry standard followed by ILECs, including Verizon, in other markets.

200

201 **Q. On Page 9 of his testimony, beginning at Line 18, Mr. Weeks' testified that**
202 **the FCC's *ISP Remand Order* is not final, and the ALEC is due \$0.00 in**

203 **compensation. Mr. Weeks repeats these assertions over the next several**
204 **pages of his testimony. Are his assertions correct, in your opinion?**

205 A. I believe that the mechanisms in the Interconnection Agreement allow for the
206 billing of ISP bound traffic upon a FCC ruling. I further believe that both the FCC
207 2001 ISP Remand Order and U.S. Court of Appeals for the District of Columbia
208 Circuit have upheld the remand order as final, binding and non-appealable. The
209 FCC ISP Order became final, binding and non appealable with the D.C. Circuit's
210 Order addressing the ISP Order became final and nonappealable, as recognized by
211 Windstream in its SEC filing of 8-31-2006.

212 The ISP Remand Order provisions of growth caps and new market entry were
213 defined by the FCC to be no longer in the public interest and a forbearance for
214 such was issued by the FCC and upheld by the U.S. Court of Appeals on June 30,
215 2006.⁵

216

217 **Q. On Page 12, Line 10, of his testimony, Mr. Weeks says that ALEC “admits”**
218 **in its Complaint that the FCC has not issued a final order regarding an ISP**
219 **compensation scheme. He also points to the interconnection agreement**
220 **between ALEC and Brandenburg Telephone Company as further evidence**
221 **that ALEC has taken the position that the FCC’s ISP Remand Order is not**
222 **final. Do you have any rebuttal to this testimony?**

223 A. Yes. The interconnection agreement between ALEC and Brandenburg is
224 irrelevant to this proceeding. ALEC adopted a standard interconnection

⁵ *In re Core Communications, Inc.* 455 F.3d 267 (D.C. Cir. 2006).

225 agreement with Brandenburg. The agreement was a mutual decision by both
226 companies due to the nature of business requirements in the Elizabethtown area.
227 ISP traffic was not the nature of business in that operating area for which any
228 negotiation or discussions were warranted. Further, it does not change the law
229 that has been established by the FCC.

230

231 Windstream has acknowledged that it has entered into several agreements with
232 carriers that provide for the compensation of ISP traffic. Mr. Weeks testifies
233 about this fact beginning on Page 14, Line 10 of his testimony:

234 “Windstream received requests from two carriers (Cinergy and Kentucky
235 Telephone Company) to negotiate agreements providing for prospective
236 compensation of ISP-bound traffic, and the parties in fact negotiated and
237 executed such agreements.”

238

239 **Q. On Page 17 of his testimony, beginning at Line 4, Mr. Weeks testifies that the**
240 **issuance of an FCC order is not the only requirement under the**
241 **interconnection agreement to initiate billing for ISP-bound traffic. Mr.**
242 **Weeks asserts that there was an additional requirement of a meeting between**
243 **the parties to the Agreement to reflect implementation of such an order. Do**
244 **you have a response to this testimony?**

245 A. ALEC has requested negotiation and establishment for compensation of ISP
246 traffic for several years with Windstream. Attached as Exhibit 2 to this Rebuttal

247 testimony are several examples of emails and letters sent by ALEC attempting to
248 engage Windstream in discussions regarding the amounts owed to ALEC.

249

250 **Q. On Pages 18 and 19 of Mr. Weeks' testimony, he asserts that ALEC refused**
251 **to respond to Windstream's data requests seeking traffic record information.**

252 **Is this accurate?**

253 A. In the discovery process in this case, Windstream requested "full 210 character
254 usage EMI records for August 2006 . . ." We supplied the requested call detail
255 records and traffic record information in the requested format. As early as March
256 2003, ALEC was in contact with Windstream regarding the PLU factors and
257 traffic patterns. See Exhibit 2.

258

259 **Q. On Page 20 of his testimony, Mr. Weeks describes why he feels it is**
260 **important in this case to know the local routing numbers ("LRN") for each**
261 **call. Do you have any rebuttal to this part of his testimony?**

262 A. For UNE-P traffic that Windstream transmits to ALEC from UNE-P originating
263 carriers, the LRN identifies Windstream as the originating carrier. Windstream
264 provides no data in which to differentiate this traffic from Windstream-originated
265 traffic, which makes Windstream liable for compensation of such traffic.

266

267 **Q. On Page 23 of his testimony, beginning at Line 11, Mr. Weeks explains his**
268 **calculations for ferreting out ISP-bound traffic and the resulting figures. In**

269 **doing so, he omits the exempt traffic factor of 5% agreed to by the parties.**

270 **Do you have any rebuttal to his calculations?**

271 A. The exempt traffic factor of 5% must be applied to the entire traffic stream to
272 properly represent the amount of traffic that is toll traffic. This is industry
273 practice. Further, it is my understanding that other ILECs such as Verizon use
274 this very same method in other markets presently.

275

276 **Q. On Page 25 of Mr. Weeks' testimony, beginning at Line 15, he states that**
277 **ALEC did not provide Windstream with an updated and accurate PLU**
278 **factor semi-annually as required by the Agreement. Do you have any**
279 **rebuttal this testimony?**

280 A. The parties are reciprocally required to provide PLU to each other. ALEC
281 provided the PLU to Windstream on the monthly invoices provided to
282 Windstream. See Exhibit 3 for sample invoices sent to Windstream. Windstream
283 has not provided their PLU to ALEC on a semi-annual basis as required by the
284 agreement.

285

286 **Q. Do you have any rebuttal to Mr. Weeks' accusation that ALEC is attempting**
287 **to artificially inflate its toll traffic minutes by applying the PLU factor and**
288 **Exempt factor to all minutes Windstream terminates to ALEC?⁶**

⁶ Stephen Weeks testimony, Page 26, Lines 6 through 11.

289 A. ALEC is not artificially inflating the toll traffic. The exempt factor of 5% must be
290 applied to the terminating stream of traffic to capture the correct percentage of toll
291 traffic. This is an industry standard calculation.

292

293 **Q. On Pages 26 and 27 of Mr. Weeks' testimony, he criticizes ALEC's method**
294 **of applying PLU factors to total traffic minutes (including ISP-bound, local**
295 **and toll minutes) which, according to him, greatly overstates the amount of**
296 **compensation that ALEC is owed for terminating toll traffic. Do you have**
297 **any rebuttal to this testimony?**

298 A. ALEC provided Commission-approved tariffs to Windstream. See Exhibit 1. The
299 tariff rate for intraLATA toll traffic was \$0.0412 during the periods of February
300 25, 2001 thru August 2004. The correct tariff rate for August 2004 to present is
301 \$0.01402. This rate has been corrected on the attached summary report of
302 invoices. See Exhibit 4.

303

304 **Q. On Pages 28 and 29 of his testimony, Mr. Weeks states that other carriers**
305 **"do not rely on factors like ALEC does." What is your response to this**
306 **testimony?**

307 A. ALEC and Windstream mutually entered into their interconnection agreement,
308 which defines calculation of toll traffic as a percent factor, not as calculated
309 amounts. Windstream has made no efforts to change this compensation formula;
310 with the exception of not paying their bill.

311

312 **Q. Were there additional reasons for concern regarding the validity of the**
313 **minutes and rates presented in ALEC's invoices?**

314 A. ALEC has reviewed and corrected the local/toll minutes as well as made the
315 correction to reflect the proper intraLATA rate element as on approved and on file
316 with the Commission. I have attached the corrected spreadsheet as Exhibit 4.

317

318 **Q. On Page 31 of his testimony, Mr. Weeks coins the term "ALEC/Verizon**
319 **Method" to describe how ALEC calculates amounts due pursuant to the**
320 **parties' interconnection agreement. In doing so, he hypothetically uses a 1%**
321 **factor multiplied by the total traffic minutes. Do you have a response to this**
322 **testimony?**

323 A. Windstream's stated 1% factor was not substantiated nor negotiated between the
324 parties. The parties negotiated a 5% factor, to which Windstream has not abided.
325 Attached as Exhibit 5 is the page from the Parties' ICA clearly establishing a 95%
326 PLU.

327

328 **Q. Beginning on Page 32 of his testimony, and continuing on through Page 33,**
329 **Mr. Weeks testifies that ALEC's claims for compensation for traffic from**
330 **August 2000 through November 2002 are invalid. I'll ask you the same**
331 **question Mr. Weeks was asked. Are ALEC's claims for compensation for**
332 **these prior time periods valid?**

333 A. Verizon compensated ALEC \$159,711.09 for the periods of January 2002 thru
334 July 2002 and not for "all periods prior to November 2002" as Windstream states.

335 Windstream's compensation was for the periods of August 2002 through
336 November 2002 in the amount of \$115,000.00 paid on March 9, 2005. Until this
337 complaint was filed, Windstream has made no attempt to pay ALEC for
338 termination of its traffic, whether it was ISP-bound or intraLATA toll.
339 ALEC was not a party to the payment made to the Duro ALEC Settlement Group.
340 Furthermore the payment covered the period of August 2002 through November
341 2002. Verizon paid \$160,000 for a 9 month period of time in 2002, an average of
342 \$18,000 per month. Windstream paid the Duro Settlement Group (*not* ALEC)
343 \$115,000 for August through November of 2002; an average of \$30,000 per
344 month. Yet today, Windstream argues that for all of 2003, 2004, 2005, 2006
345 (over 48 months) they only owes ALEC \$52,000 and recently made payment on
346 that amount. During this time, ALEC's terminating traffic was increasing each
347 year. This payment equates to approximately \$1,000 per month. Clearly
348 Windstream's math is wrong.

349

350 **Q. In Mr. Week's testimony, on Page 33 starting at Line 15, he questions**
351 **whether ALEC is affiliated with the Duro Settlement Group. Was ALEC**
352 **affiliated with that entity?**

353 A. ALEC is not affiliated with the Duro Settlement Group, nor did it have any
354 knowledge of any payments to Duro Settlement Group until we were served with
355 Windstream's First Set of Data Requests.

356

357 **Q. On Page 34 of his testimony at Line 13, Mr. Weeks was asked to identify the**
358 **party asserting the claims in the Complaint. In his response, Mr. Weeks**
359 **questions whether ALEC had any authority to continue operating or**
360 **pursuing claims under the interconnection agreement after December 16,**
361 **2002. Did you ever notify Windstream or its predecessors of the transfer**
362 **from Touchtone Communications to ALEC?**

363 A. Attached is a letter sent by an attorney for ALEC on August 23, 2000 to GTE
364 South notifying them of the transfer of Touchtone Communications, Inc. to
365 ALEC, Inc. ALEC is the proper party to pursue these claims.

366

367 **Q: The rest of Mr. Weeks' testimony focuses on his perceived relationship**
368 **between ALEC and Duro. On Page 36, Line 11, he was asked whether "any**
369 **of these transactions or affiliations affect ALEC's rights to operate under the**
370 **Agreement?" He responded that it did not appear to him that the rights**
371 **under the relevant interconnection agreement appear to have remained with**
372 **Duro during an asset purchase. I'll ask you the same question Mr. Weeks**
373 **was asked. Did any of the transactions involving the acquisition of ALEC,**
374 **Inc., affect ALEC's rights to operate under the agreement?**

375 A. ALEC has supplied all requested information in association with the Second Data
376 Requests as best as it had knowledge or verification thereof. ALEC was
377 purchased from Duro Communication Corporation in December 2002 by Wispnet
378 NC, LLC. As noted in ALEC's stock purchase agreement, there were certain
379 exclusion of assets were the "Interconnection Agreement between ALEC and

380 Alltel in KY and GA.” During that same period, WISPNET, LLC purchased
381 those previously excluded assets from Duro Communications Corporation. The
382 interconnection agreements remain with ALEC as both Wispnet NC, LLC and
383 WISPNET, LLC managed ALEC. In a letter dated March 24, 2003 to Mr. Tom
384 Dorman of the KY PSC, MTA Consulting sent a letter notifying the Commission
385 of the stock purchase and transfer of ownership and control of ALEC, Inc. d/b/a
386 Volaris Telecom.

387

388 **Q. Does this conclude your rebuttal testimony?**

389 A. Yes.

CERTIFICATE OF SERVICE

390
391
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398
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401
402
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404
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406
407
408

The undersigned certifies that a copy of the foregoing document was caused to be served via email and Federal Express, this 7TH day of March, 2007, properly addressed as follows:

Mark R. Overstreet
STITES & HARBISON PLLC
421 West Main Street
P.O. Box 634
Frankfort, Kentucky 40602-0634
moverstreet@stites.com

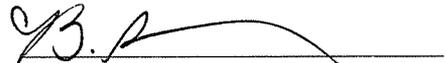

Bettye Gadison, Legal Assistant

Exhibit 1

Page 120 of ALEC KY PSC Tariff No. 2, Switched Access Services

SECTION 10-RATES AND CHARGES

10.2 Switched Access Service (Cont'd)10.2.3 End Office(A) Local SwitchingPremium

-	Local Switching 1 Per Access Minute	\$0.0412
---	-------------------------------------	----------

Feature Groups A & B* (except:
 (1) Feature Group B utilized for the provision of
 MTS/WATS service
 (2) Feature Groups A and B when utilized for the
 Provision of terminating inward WATS and WATS-
 Type services at an equal access WATS Service Office.

-	Local Switching 2 Per Access Minute	\$0.0412
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Feature Groups C & D (including:
 (1) Feature Group B when utilized for the provision of
 MTS/WATS service, (2) Feature Groups A and B when
 utilized for the provision of terminating inward WATS
 and WATS-type services at an equal access WATS
 Serving Office.

	<u>Non-Premium Per Access Minute</u>	\$0.0185
--	--------------------------------------	----------

(B) Information Surcharge

-	Premium Per Access Minute	\$0.000267
-	Non-Premium Per Access Minute	\$0.000120

- Local Switching 1 when applied to Feature Group B with an ADA is multiplied by the ADA rate factor listed in 10.2.4 following.

SECTION 10-RATES AND CHARGES

10.2 Switched Access Service (Cont'd)

10.2.3 End Office

(A) Local Switching

Premium

- Local Switching 1 Per Access Minute \$0.01402 (R)

Feature Groups A & B* (except:
(1) Feature Group B utilized for the provision of MTS/WATS service
(2) Feature Groups A and B when utilized for the Provision of terminating inward WATS and WATS-Type services at an equal access WATS Service Office.

- Local Switching 2 Per Access Minute \$0.01402 (R)

Feature Groups C & D (including:
(1) Feature Group B when utilized for the provision of MTS/WATS service, (2) Feature Groups A and B when utilized for the provision of terminating inward WATS and WATS-type services at an equal access WATS Serving Office.

Non-Premium Per Access Minute \$0.0185

(B) Information Surcharge

- Premium Per Access Minute \$0.000895 (I)

- Non-Premium Per Access Minute \$0.000120

- Local Switching 1 when applied to Feature Group B with an ADA is multiplied by the ADA rate factor listed in 10.2.4 following.

ISSUED: July 14, 2004

Mark Hayes
205 West Main Street., Suite 1920
Lexington, KY 40507

EFFECTIVE: August 15, 2004

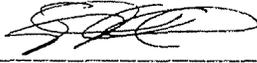
PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE 08/15/2004 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)	
By	
	Executive Director

Exhibit 2

Communications Between ALEC and Windstream

RECEIVED

MAR 07 2007

PUBLIC SERVICE
COMMISSION

COLE, RAYWID & BRAVERMAN, L.L.P.

JOHN C. DODGE

DIRECT DIAL
202-828-9805
JDODGE@CRBLAW.COM

ATTORNEYS AT LAW
1919 PENNSYLVANIA AVENUE, N.W., SUITE 200
WASHINGTON, D.C. 20006-3458
TELEPHONE (202) 659-9750
FAX (202) 452-0067
WWW.CRBLAW.COM

LOS ANGELES OFFICE
238 I ROBECHRANS AVENUE, SUITE 110
EL SEGUNDO, CALIFORNIA 90245-4290
TELEPHONE (310) 643-7999
FAX (310) 643-7997

November 19, 2004

VIA OVERNIGHT MAIL

Francis X. Frantz, Esq.
Executive Vice President
Alltel Communications, Inc.
One Allied Drive
Little Rock, AR 72202

Trevor Jones
Alltel Communications, Inc.
One Allied Drive
Little Rock, AR 72202

Re: Touchtone, dba ALEC, Inc.

Dear Messrs. Frantz and Jones:

This firm represents Touchtone, dba ALEC, Inc. ("ALEC"). ALEC is a party to an interconnection agreement ("ICA") with Alltel Communications, Inc. ("Alltel") for the Commonwealth of Kentucky, pursuant to which ALEC terminates various types of telecommunications traffic for Alltel. The purpose of this letter is to present Alltel with a current invoice for reciprocal compensation and access charges in the amount of \$6,407,818.65, plus interest, and to demand immediate payment of this sum which is significantly past due.

Termination Rates

As you may be aware, the parties exchange primarily Internet Service Provider-bound (or, "ISP-bound") traffic. The parties' ICA governs terms and conditions for termination of such ISP-bound traffic and treats it largely as local traffic. First, the ICA provides that the parties will employ an Initial Factor to allocate all traffic as between Local Traffic ("Percent Local Usage" or "PLU") and non-Local Traffic ("Exempt Factor"). See Appendix A. The allocation is set at 95% PLU, 5% Exempt Factor. *Id.* Local Traffic is subject to reciprocal compensation; Exempt

Messrs. Frantz and Jones
November 19, 2004

Page 2

Factor traffic is billed at intraLATA toll access rates, or \$0.029 per minute—ALEC's current tariff rate.

Second, for PLU ISP-bound traffic exchanged prior to June 14, 2001, the ICA provides that such traffic will be terminated at \$0.0049294 per minute of use ("MOU"). See Appendix A. For PLU ISP-bound traffic exchanged after June 14, 2001, the ICA provides that such traffic will be terminated pursuant to the Federal Communications Commission's ("FCC") *ISP Remand Order*.¹ See ICA at Article V, Section 3.2.3. ALEC has calculated its invoices to Alltel in strict accordance with the ICA and *ISP Remand Order* rates and annual MOU caps for ISP-bound traffic.

Alltel's predecessors (Verizon and GTE) generally abided by the terms of the ICA with respect to termination charges. ALEC expects Alltel to abide by its contract responsibilities as well.

Facilities Charges

Since September 2002 Alltel has invoiced ALEC for certain "entrance facilities" (BAN # 219AL05098TVK). The total amount billed for such facilities is \$58,614.59. ALEC has disputed these invoices. The ICA does not define "entrance facilities," but recently the United States District Court for the District of Columbia did: "'Entrance facilities' are dedicated transmission facilities that connect ILEC and CLEC locations." *USTA v. FCC*, 359 F.3d 554, 585 (2004). The Court's discussion (of the FCC's rationale for excluding entrance facilities from Unbundled Network Element characterization) suggests that entrance facilities exist *outside* the ILEC network. *Id.* Alltel and ALEC have five (5) meet point arrangements at various Alltel tandems throughout Kentucky. In none of these arrangements has Alltel deployed (nor has ALEC requested or ordered) dedicated transmission facilities to connect disparate Alltel and ALEC locations. Rather, physical interconnection is achieved at each of Alltel's tandem premises. Consequently, no entrance facilities are needed, nor do they exist. ALEC formally reiterates its request that Alltel cancel all back bills associated with entrance facilities and cease future billings for same.

Conclusion

Alltel has benefited from termination services provided by ALEC. ALEC has billed Alltel for these services in accordance with the ICA. The total due from Alltel to ALEC through November 1, 2004 is \$6,407,818.65, plus interest. ALEC hereby demands payment in full of such amount within thirty (30) days of the date of this letter. Absent full and unconditional payment of this amount within 30 days ALEC will avail itself of all options under the ICA to collect all monies due and owing to it.

¹ *Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, Inter-carrier Compensation for ISP-Bound Traffic*, Order on Remand and Report and Order, 16 FCC Rcd 9151 (2001); *remanded, but not vacated, WorldCom v. FCC*, 288 F.3d 429 (D.C. Cir. 2002).

Messrs. Frantz and Jones
November 19, 2004

Page 3

Alltel has erroneously invoiced ALEC for entrance facilities. No entrance facilities exist between the parties. ALEC reiterates its request that Alltel cancel back bills for entrance facilities and cease such billing in the future. Absent such action on Alltel's part ALEC will avail itself of all options under the ICA to avoid such unsupported billings.

Kindly direct any questions regarding this matter to the undersigned.

Sincerely yours,



John C. Dodge

Cc: Mark Elliott, ALEC, Inc.
Mark Hayes, ALEC, Inc.

Attachment

Subject: Fwd: Rebuttal Doc for section 18.18
From: <jonathon@iglou.com>
Date: Tue, 06 Mar 2007 08:04:43 -0500
To: "Kristopher Twomey" <kris@lokt.net>

-----Original Message-----

From: "Mark Hayes" <mhayes@alec.net>
To: "'Jonathon N. Amlung'" <jonathon@amlung.com>
Date: Sun, 4 Mar 2007 16:08:21 -0500
Subject: Rebuttal Doc for section 18.18

Guys,

This is additional supporting doc's where ALEC tried to work with Alltel/Windstream.

Mark

From: Richard McDaniel [mailto:rmcdaniel@mta-consulting.com]
Sent: Thursday, March 06, 2003 4:28 PM
To: Travis.Jones@alltel.com
Cc: Jimmy.Dolan@alltel.com; Alisha.York@alltel.com; Alfred Busbee; Mark Hayes; Philip V. Patete Ph. D. (E-mail)
Subject: Dispute of intraLATA toll minutes

Travis: I am e-mailing our response and will put a hard copy in the mail. I have attached in addition to our response a page 102 from our tariff to verify the rate and Appendix A that sets the initial PLU factor as well as the August through November invoices that have been recalculated to reflect the initial PLU.

Richard McDaniel
MTA Consulting
rmcdaniel@mta-consulting.com
Phone 706 467 0661
Fax 509 756 2132
Cell 706 318 7898

ALEC Appendix A.doc

Content-Type: application/msword
Content-Encoding: base64



McDaniel, Tinsley & Associates, Inc.
Telecommunications Management Consulting

March 6, 2003

Mr. Travis Jones
Alltel Communications
Revenue Accounting 1269-B4S5-NA
1 Allied Drive
Little Rock, AR 72203

Dear Mr. Jones:

We are responding on behalf of Touchtone dba ALEC, Inc. and ALEC, Inc. to you March 4, 2003 letter regarding disputing Invoices TU200208-1 through TU200301-1. While it is true the FCC indicated in its Interim Order that ISP was interstate in nature. The order also established a transition to reduce the MOU rates even though they had determined the traffic was interstate.

Section V 4.3.3 indicates the parties "...will support the provisioning of trunk groups that carry combined or separate Local Traffic and intraLATA toll and optional EAS traffic." Section V 3.2.4 indicates the interexchange of traffic "... shall be in accordance with the Parties' respective intrastate or interstate access traffic, as appropriate." Since this traffic has been transported over the local trunks, which is normal of all ILECs, and has a toll identifier, the parties had to dial some specific code/s to make the call. Alltel in this case should have billed the customer additional charges for the call as well as billed the Interexchange Carrier access for the originating minutes of the call and it percent of terminating access charges for the part that transverses your network (i.e. tandem switching and termination, etc.) and thus the terminating carrier is allowed to bill the access per 3.2.4. Thus it must be toll or it would not have been designated with a toll identifier. Are you saying that if a customer such as your or myself may be away from our home and we dial a number to get to our Service Provider, that is not a toll call?

As further documentation, we are attaching a copy of the ALEC tariff, Appendix A of the Interconnection Agreement and refer you to Section 4.3.5 that discusses the PLU factor. We are also resubmitting the invoices with the initial PLU stated in Appendix A. These invoices have not been paid and the original invoices were submitted as early as August 2002.

Your prompt attention to this matter would be greatly appreciated. If you or your staff would like to discuss this, please contact me on 706 467 0661.

70 Buckhead Drive
Greensboro, Georgia 30642
Tel: 706 467-0661 · Fax: 509 756-2132
Cell: 706 318-7898 · Email: rmcDaniel@mta-consulting.com

3640 Valley Hill Road
Kennesaw, Georgia 30152
Tel: 770 425-4725 · Fax: 443 697-0087
Cell: 770 826-9822 · Email: jtinsley@mta-consulting.com

Thanks in advance for you prompt assistance in this matter.

Sincerely,

Richard McDaniel

cc: Jimmy Dolan
Alisha York
Alfred Busbee
Mark Hayes
Philip V. Patete, Ph. D.

RECEIVED

MAR 07 2007

PUBLIC SERVICE
COMMISSION

Subject: Fwd: Rebuttal doc for 18.18
From: <jonathon@iglou.com>
Date: Tue, 06 Mar 2007 08:05:55 -0500
To: "Kristopher Twomey" <kris@lokt.net>

-----Original Message-----

From: "Mark Hayes" <mhayes@alec.net>
To: "'Jonathon N. Amlung'" <jonathon@amlung.com>
Date: Sun, 4 Mar 2007 16:08:21 -0500
Subject: Rebuttal doc for 18.18

Jonathan,

This is an email that supports our rebuttal of "responding to Windstream's" many data requests.

Mark

From: Richard McDaniel [mailto:rmcdaniel@mta-consulting.com]
Sent: Wednesday, March 05, 2003 4:55 PM
To: Jimmy.Dolan@alltel.com
Cc: Mark Hayes; Judy Tinsley
Subject: PLU
Importance: Low

Jimmy: Mark and I have been discussing the PLU situation. Section V of the contract 4.3.5 indicates if either party does not provide the other with an updated PLU, the previous PLU will be utilized. The parties agree to the initial PLU factor as set forth in Appendix A. The PLU in Appendix A is 95%.

I believe Verizon had sent us a PLU but if we have a letter it is in a DURO file in Florida and the new owners of ALEC has no way of getting that information. Based upon this the proper PLU is 95%. Previous billing has been at 99% based upon Verizon providing the 99% PLU.

We will resubmit the invoices back to August with a 95% PLU until we reciprocally provide PLU factors to each other as provide in Section V, page 7 4.3.5

I am attaching page 102 of the ALEC KY access tariff. I am unable to get the

header and footer to copy but it is on file at the commission. It is on the KY PSC website. If you have any additional questions or comments, please advise.

Richard McDaniel
MTA Consulting
rmcdaniel@mta-consulting.com
Phone 706 467 0661
Fax 509 756 2132
Cell 706 318 7898

KY Access Trf. page 102.doc	Content-Type: application/msword
	Content-Encoding: base64

Exhibit 3

Sample ALEC Invoices

ALEC, Inc.
P. O. Box 950638
Lake Mary, FL 32795-0638

Invoice No. TU200208-2R

REVISED
INVOICE

Customer	
Name	Alltel
Address	1 Allied Drive Rev. Acct 1269-B4S5-NA Attn: Travis Jones
City	Little Rock State AR ZIP 72203
Phone	501 905 5361

Misc	
Date	9/5/2002
Due Date	10/05/2002
Rep	
FOB	

Qty	Description	Unit Price	TOTAL
46558811	Intrastate Local Interconnection (Resubmitted invoice) 95% From 08/01/02 - 08/31/02	0.0049294	\$ 229,507.00
2450464	Intrastate toll minutes (Resubmitted invoice) 5% From 08/01/02 - 08/31/02	0.0412	\$ 100,959.12

SubTotal	\$ 330,466.12
Shipping	
TOTAL	\$ 330,466.12

Payment
Remit Payment To: ALEC, Inc. P.O. Box 950638 Lake Mary, FL 32795-0638

Tax Rate(s)

Office Use Only

Billing inquiries 706 467 0661

Please Remit PAST DUE

ALEC, Inc.
P. O. Box 950638
Lake Mary, FL 32795-0638

Invoice No. TU200209-1R

REVISED
INVOICE

Customer
Name Alltel
Address 1 Allied Drive Rev. Acct 1269-B4S5-NA Attn: Travis Jones
City Little Rock State AR ZIP 72203
Phone 501 905 5361

Misc
Date 10/7/2002
Due Date 11/07/2002
Rep
FOB

Qty	Description	Unit Price	TOTAL
42804027	Intrastate Local Interconnection (Resubmitted invoice) 95% From 09/01/02 - 09/30/02	0.0049294	\$ 210,998.17
2258244	Intrastate toll minutes (Resubmitted invoice) 5% From 09/01/02 - 09/30/02	0.0412	\$ 93,039.65

SubTotal	\$ 304,037.82
Shipping	
TOTAL	\$ 304,037.82

Payment
Remit Payment To:
ALEC, Inc.
P.O. Box 950638
Lake Mary, FL 32795-0638

Tax Rate(s)

Office Use Only

Billing inquiries 706 467 0661

Please Remit PAST DUE

ALEC, Inc.
P. O. Box 950638
Lake Mary, FL 32795-0638

Invoice No. TU200210-1R

REVISED
INVOICE

Customer

Name Alltel
Address 1 Allied Drive Rev. Acct 1269-B4S5-NA Attn: Travis Jones
City Little Rock State AR ZIP 72203
Phone 501 905 5361

Misc

Date 10/7/2002
Due Date 11/07/2002
Rep
FOB

Qty	Description	Unit Price	TOTAL
50798690	Intrastate Local Interconnection (Resubmitted invoice) 95% From 10/01/02 - 10/31/02	0.0049294	\$ 250,407.06
2673615	Intrastate toll minutes (Resubmitted invoice) 5% From 10/01/02 - 10/31/02	0.0412	\$ 110,152.94

SubTotal	\$ 360,560.00
Shipping	
TOTAL	\$ 360,560.00

Payment

Remit Payment To:
ALEC, Inc.
P.O. Box 950638
Lake Mary, FL 32795-0638

Tax Rate(s)

Office Use Only

Billing inquiries 706 467 0661

Please Remit PAST DUE

ALEC, Inc.
P. O. Box 950638
Lake Mary, FL 32795-0638

Invoice No. TU200211-1R

REVISED
INVOICE

Customer	
Name	Alltel
Address	1 Allied Drive Rev. Acct 1269-B4S5-NA Attn: Travis Jones
City	Little Rock State AR ZIP 72203
Phone	501 905 5361

Misc	
Date	11/4/2002
Due Date	12/04/2002
Rep	
FOB	

Qty	Description	Unit Price	TOTAL
47568332	Intrastate Local Interconnection (Resubmitted invoice) 95% From 11/01/02 - 11/30/02	0.0049294	\$ 234,483.34
2503596	Intrastate toll minutes (Resubmitted invoice) 5% From 11/01/02 - 11/30/02	0.0412	\$ 103,148.16

SubTotal	\$ 337,631.50
Shipping	
TOTAL	\$ 337,631.50

Payment
Remit Payment To: ALEC, Inc. P.O. Box 950638 Lake Mary, FL 32795-0638

Tax Rate(s)	

Office Use Only

Billing inquires 706 467 0661

Please Remit PAST DUE

ALEC, Inc.
 250 W. Main Street Suite 1920
 Lexington, KY. 40507
 Bus: (859) 254-9667
 Fax: (859) 258-2880

Invoice No. WTF200400-GT
 Account No. 000010

INVOICE

Customer

Alltel
 Karen Ketchum
 1 Allied Drive
 Little Rock, AR 722202-2177
 Mailstop: 1269-B4F05-NA

Invoice Date 12/01/04
 Due Date 12/31/04
 Begin Date 08/01/00
 End Date 11/01/04

QTY	DESCRIPTION	RATE	TOTAL
PLU 95% -- Quantities reflect 95% total MOU			
359,399,474	Intrastate Local Interconnection - AUGUST 00 TO MAY 01 Rate per Interconnection Contract	\$0.004929	\$1,771,623.77
236,584,694	Intrastate Local Interconnection - JUNE 01 TO NOVEMBER 01 Rate per FCC ISP Remand Order	\$0.001500	\$354,877.04
717,228,683	Intrastate Local Interconnection - DECEMBER 01 TO MAY 03 Rate per FCC ISP Remand Order	\$0.001000	\$717,228.68
764,639,798	Intrastate Local Interconnection - JUNE 03 TO NOVEMBER 04 Rate per FCC ISP Remand Order	\$0.000700	\$535,247.86
QTY	DESCRIPTION	RATE	TOTAL
PIU 5% -- Quantities reflect 5% total MOU			
87,761,571	Intrastate Intralata Toll - AUGUST 00 TO JUNE 04 Rate per Taffiff	\$0.041200	\$3,615,776.71
10,468,089	Intrastate Intralata Toll - JULY 04 TO NOVEMBER 04 Rate per Tarriff	\$0.029000	\$303,574.57

Payment Details

Remit Payment To:
 ALEC, Inc.
 ATTN: Stephanie Anderson
 250 W. Main Street Suite 1920
 Lexington, KY 40507

SUB TOTAL \$7,298,328.63

TOTAL \$7,298,328.63

OFFICE USE ONLY

Balances not paid by the due date will be subject to late fees.

ALEC, Inc.

250 W. Main Street Suite 1920
 Lexington, KY. 40507
 Bus: (859) 254-9667
 Fax: (859) 258-2880

Invoice No. WTF200400-GT
 Account No. 000010

INVOICE

Customer

Alltel
 Karen Ketchum
 1 Allied Drive
 Little Rock, AR 72202-2177
 Mailstop: 1269-B4F05-NA

Invoice Date 11/01/04
 Due Date 11/30/04
 Begin Date 10/01/04
 End Date 10/30/04

QTY	DESCRIPTION	PLU	UNIT PRICE	TOTAL
1,406,384,691	Intrastate Local Interconnection Rate per Interconnection Contract CLLI: LXTNKY01DS0 CLLI: LSVLKYAPX0X	95.00%	\$0.004929	\$6,586,001.06
170,020,247	Intrastate Intralata Toll Rate per Interconnection Contract CLLI: LXTNKY01DS0 CLLI: LSVLKYAPX0X	5.00%	\$0.029000	\$246,529.36

Payment Details

Remit Payment To:
 ALEC, Inc.
 ATTN: Stephanie Anderson
 250 W. Main Street Suite 1920
 Lexington, KY 40507

SUB TOTAL \$6,832,530.42

TOTAL \$6,832,530.42

OFFICE USE ONLY

Balances not paid by the due date will be subject to late fees.

Exhibit 4

Adjusted Summary Invoice Report

2000 summary				2001 summary				2002 summary				2003 summary				2004 summary				2005 summary				Grand Totals								
Month	Total Minutes	Total Invoice	Month	Total Minutes	Total Invoice	Month	Total Minutes	Total Invoice	Month	Total Minutes	Total Invoice	Month	Total Minutes	Total Invoice	Month	Total Minutes	Total Invoice	Month	Total Minutes	Total Invoice	Month	Total Minutes	Total Invoice	Month	Total Minutes	Total Invoice	Month	Total Minutes	Total Invoice			
Jan	0	\$	285,641.45	Jan	42,361.621	\$	41,735,538	Jan	33,243.450	\$	100,062.78	Jan	50,829.687	\$	138,510.60	Jan	44,478.266	\$	60,757.31	Jan	212,646.562	\$	658,003.26	Jan	44,478.266	\$	60,757.31	Jan	212,646.562	\$	658,003.26	
Feb	0	\$	284,054.65	Feb	42,126.294	\$	41,344,878	Feb	35,117.635	\$	105,704.68	Feb	46,413.494	\$	126,476.77	Feb	40,820.456	\$	55,760.74	Feb	208,762.857	\$	686,027.03	Feb	40,820.456	\$	55,760.74	Feb	208,762.857	\$	686,027.03	
Mar	0	\$	310,925.37	Mar	46,111.760	\$	41,161,338	Mar	40,024.022	\$	120,472.55	Mar	47,471.767	\$	129,360.62	Mar	44,198.383	\$	60,374.89	Mar	219,619.187	\$	728,175.52	Mar	44,198.383	\$	60,374.89	Mar	219,619.187	\$	728,175.52	
Apr	0	\$	40,656.171	Apr	37,396.114	\$	274,155.20	Apr	48,524.902	\$	135,240.41	Apr	40,311.336	\$	109,848.39	Apr	41,306.782	\$	56,427.60	Apr	202,960.872	\$	656,679.41	Apr	41,306.782	\$	56,427.60	Apr	202,960.872	\$	656,679.41	
May	0	\$	38,809.528	May	42,181.408	\$	152,159.38	May	48,141.763	\$	146,058.75	May	40,311.336	\$	109,848.39	May	44,281.618	\$	60,488.69	May	215,406.180	\$	550,152.96	May	44,281.618	\$	60,488.69	May	215,406.180	\$	550,152.96	
Jun	0	\$	42,181.408	Jun	42,181.408	\$	142,834.98	Jun	48,141.763	\$	131,086.30	Jun	42,440.956	\$	113,205.26	Jun	45,839.729	\$	62,617.07	Jun	220,488.461	\$	670,328.52	Jun	45,839.729	\$	62,617.07	Jun	220,488.461	\$	670,328.52	
Jul	0	\$	147,002.21	Jul	42,181.408	\$	147,002.21	Jul	44,686.088	\$	127,047.94	Jul	42,440.956	\$	113,205.26	Jul	38,799.650	\$	53,000.32	Jul	198,168.684	\$	597,892.39	Jul	38,799.650	\$	53,000.32	Jul	198,168.684	\$	597,892.39	
Aug	0	\$	148,595.62	Aug	42,829.934	\$	148,595.62	Aug	42,775.249	\$	121,770.02	Aug	42,905.135	\$	59,608.41	Aug	0	\$	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sep	0	\$	152,765.38	Sep	40,974.344	\$	152,765.38	Sep	45,397.237	\$	123,707.47	Sep	40,852.289	\$	59,840.83	Sep	0	\$	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Oct	0	\$	150,000.00	Oct	48,554.061	\$	150,000.00	Oct	48,019.228	\$	130,852.40	Oct	41,582.309	\$	56,801.43	Oct	0	\$	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nov	0	\$	137,183.00	Nov	38,809.528	\$	137,183.00	Nov	48,019.228	\$	130,852.40	Nov	41,481.086	\$	58,663.16	Nov	0	\$	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Dec	0	\$	2,414,014.11	Dec	360,294.222	\$	2,414,014.11	Dec	57,146.840	\$	1,483,899.89	Dec	522,274.971	\$	1,080,650.53	Dec	0	\$	0	0	0	0	0	0	0	0	0	0	0	0	0	
2000 Local				2001 Local				2002 Local				2003 Local				2004 Local				2005 Local				Local Grand Total								
\$ 3,315,297.78				\$ 3,315,297.78				\$ 487,191.59				\$ 488,077.19				\$ 347,312.88				\$ 228,034.46				\$ 3,654,897.76								
2000 IntraState Toll				2001 IntraState Toll				2002 IntraState Toll				2003 IntraState Toll				2004 IntraState Toll				2005 IntraState Toll				IntraState Grand Total								
\$ 1,036,732.54				\$ 1,036,732.54				\$ 516,695.48				\$ 1,045,922.70				\$ 1,045,922.70				\$ 733,337.66				\$ 238,116.33				\$ 3,461,106.34				

Exhibit 5

ICA Page Establishing PLU

APPENDIX A
RATES AND CHARGES FOR
TRANSPORT AND TERMINATION OF TRAFFIC

General. The rates contained in this Appendix A are the rates as defined in Article V and are subject to change resulting from future Commission or other proceedings, including but not limited to any generic proceeding to determine GTE's unrecovered costs (e.g., historic costs, contribution, undepreciated reserve deficiency, or similar unrecovered GTE costs (including GTE's interim Universal Service Support Surcharge)), the establishment of a competitively neutral universal service system, or any appeal or other litigation.

Each Party will bill the other Party as appropriate:

- A. The Local Interconnection rate element that applies to Local Traffic on a minute of use basis that each Party switches for termination purposes at its wire centers. The local interconnection rate is **\$0.0049294**.
- B. The Tandem Switching rate element that applies to tandem routed Local Traffic on a minute of use basis. The tandem switching rate is **\$0.0010971**.
- C. The Common Transport Facility rate element that applies to tandem routed Local Traffic on a per minute/per mile basis. The Common Transport Facility rate is **\$0.0000041**.
- D. The Common Transport Terminal element that applies to tandem routed Local Traffic on a per minute/per termination basis. The Common Transport Termination rate is **\$0.0000970**.
- E. The Tandem Transiting Charge is comprised of the following rate elements:
- | | | |
|---|---|--------------------|
| Tandem Switching: | = | \$0.0010971 |
| Tandem Transport (10 mile average): 10 x \$0.0000041 | = | \$0.0000410 |
| Transport Termination (2 Terminations): 2 x \$0.0000970 | = | \$0.0001940 |
| Transiting Charge: | = | \$0.0013321 |
- F. Initial Factors:
- | | |
|---------------------------------------|------------|
| 1. PLU | 95% |
| 2. Initial Proportionate Share Factor | 50% |
| 3. Exempt Factor | 5% |

Exhibit 6

Letter to GTE South Notifying of Transfer of Ownership

GERRY, FRIEND & SAPRONOV, LLP

ATTORNEYS AT LAW

SUITE 1450

THREE RAVINIA DRIVE

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August 23, 2000

VIA OVERNIGHT MAIL

GTE South Incorporated
Attn: Assistant Vice President/Associate General Counsel
Service Corporation
600 Hidden Ridge – HQEWMNOTICES
Irving, Texas 75038

and

GTE South Incorporated
Attn: Director – Wholesale Contract Compliance
Network Services
600 Hidden Ridge – HQEWMNOTICES
Irving, Texas 75038

Re: Interconnection Agreement dated July 22, 1999 between Touchtone Communications, Inc. (“Touchtone”) and GTE South Incorporated (“GTE”) for the State of Kentucky (the “Agreement”)

Dear Sirs:

As required by and in accordance with Article III, Section 4 of the Agreement, we hereby notify you that the Agreement has been assigned to ALEC, Inc., an Affiliate of Touchtone that is authorized to provide local exchange service in the State of Kentucky.

In connection with the assignment, ALEC, Inc. agreed in writing to assume all of the rights, obligations and duties of Touchtone under the Agreement.

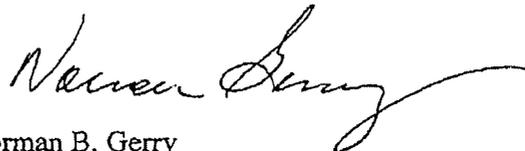
GERRY, FRIEND & SAPRONOV, LLP
ATTORNEYS AT LAW

GTE South Incorporated
Attn: Assistant Vice President/Associate General Counsel
GTE South Incorporated
Attn: Director - Wholesale Contract Compliance
August 23, 2000
Page 2

Please do not hesitate to contact us if you have any questions.

Very truly yours,

GERRY, FRIEND & SAPRONOV, LLP



Norman B. Gerry

NBG/nah

cc: Mr. Joe Demmons
Mr. Richard McDaniel
Charles A. Hudak, Esq.